

The applicant states that there is a need to approve and construct the Mariposa Project since without the project PG&E's planning reserve margin will fall to 16.3% in 2012 which is below PG&E's planning reserve margin. The 2009 CAL-ISO summer assessment predicted a 30.6% planning reserve margin in 2009.

Table 1

<b>Summer 2009 Outlook</b>			
<b>Resource Adequacy Planning Conventions</b>	<b>CAISO</b>	<b>SP26</b>	<b>NP26</b>
Existing Generation	47,500	22,558	24,929
Retirements (Known)	22	0	22
High Probability CA Additions	1,476	378	1,098
Hydro Derates	-1,000	-208	-792
Net Interchange (Moderate)	10,100	9,200	2,050
Total Net Supply (MW)	58,098	31,929	27,306
Demand (1-in-2 Summer Temperature)	45,379	25,412	21,370
DR & Interruptible Programs	2,090	1,496	593
<b>Planning Reserve<sup>1</sup></b>	<b>32.6%</b>	<b>31.5%</b>	<b>30.6%</b>

<sup>1</sup> Planning Reserve calculation (Total Net Supply + Demand Response + Interruptibles)/(1-in-2 Demand)-1.

<http://www.caiso.com/23ab/23abd69829524.pdf>

The 2010 CAL-ISO summer assessment predicts a 38.5% Planning reserve margin in PG&E's service territory.

<b>Summer 2010 Supply &amp; Demand Outlook</b>			
<b>Resource Adequacy Planning Conventions</b>	<b>ISO</b>	<b>SP26</b>	<b>NP26</b>
Existing Generation <sup>1</sup>	49,807	23,326	26,481
Retirements (known/expected) <sup>2</sup>	(6)	0	(6)
High Probability CA Additions	1,086	1,057	29
Hydro Derates	0	0	0
Net Interchange (Moderate)	10,100	9,200	2,050
Total Net Supply (MW)	60,988	33,583	28,555
Demand (1-in-2 Summer Temperature)	47,139	27,198	21,154
DR & Interruptible Programs <sup>3</sup>	2,403	1,668	734
<b>Planning Reserve<sup>4</sup></b>	<b>34.5%</b>	<b>29.6%</b>	<b>38.5%</b>

<sup>1</sup> as of 3/22/2010 (refer to Table 8)  
<sup>2</sup> as of 3/22/2010 (refer to Table 8)  
<sup>3</sup> (refer to Table 9)  
<sup>4</sup> Planning Reserve calculation (Total Net Supply + Demand Response + Interruptibles)/Forecast Demand)-1.

<http://www.caiso.com/2793/2793ae4d395f2.pdf>

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